## Peter Wallison

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## A History of Home Values 190 The Yale economist Robert J. Shiller created an index of American housing prices going back to 1890. It is based on sale prices of standard existing houses, not new construction, to track the value of housing as an investment 180 over time. It presents housing values in consistent terms over 116 years, factoring out the effects of inflation. The 1890 benchmark is 100 on the chart. If a standard house sold in 1890 for \$100,000 (inflation- adjusted to 170 today's dollars), an equivalent standard house would have sold for \$66,000 in 1920 (66 on the index scale) and \$199,000 in 2006 (199 on the index scale, or 99 percent higher than 1890). 160 DECLINE AND RUN-UP Prices dropped as BOOM TIMES Two gains in recent decades 150 were followed by returns to levels consistent mass production techniques appeared since the late 1950's. Since 1997, the index early in the 20th century. Prices spiked with post-war housing demand. has risen about 83 percent. 140 WORLD WORLD GREAT 1970'S 1980'S BOOM 130 WARI DEPRESSION WAR II BOOM 130 120 120 110 110 100 100

1900

1910

1920

1930

1940

1950

80

70

60

1890

2000

1970

1980

1990

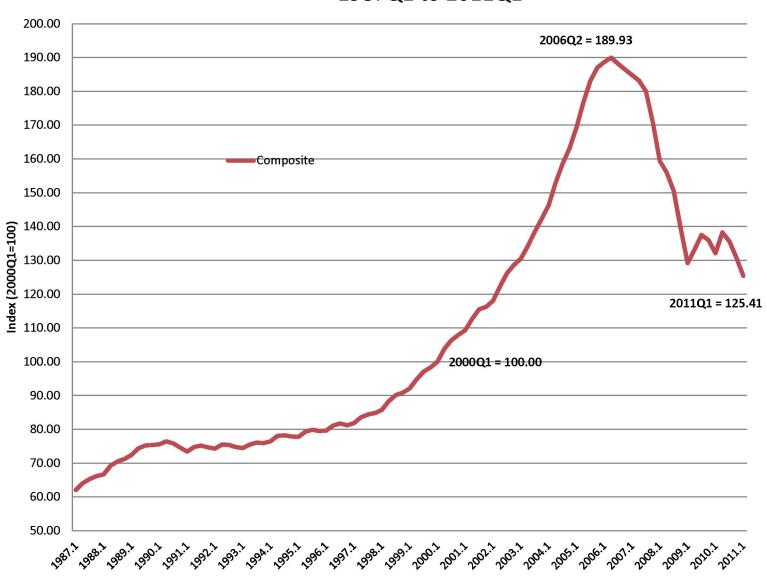
1960

CURRENT

200

The U.S. Housing Bubble:

Case-Shiller National Home Price Index Values 1987Q1 to 2011Q1



## Quarterly Residential ABS, MBS & CDO Volume

